

STMicroelectronics N.V.

Consolidated Statements of Income

(in million of U.S. dollars, except per share data (\$))

	Three Months Ended	
	(Unaudited)	(Unaudited)
	June 30 , <u>2007</u>	July 1 , <u>2006</u>
Net sales	2,409	2,492
Other revenues	9	3
NET REVENUES	2,418	2,495
Cost of sales	-1,580	-1,613
GROSS PROFIT	838	882
Selling, general and administrative	-270	-266
Research and development	-446	-408
Other income and expenses, net	12	-5
Impairment, restructuring charges and other related closure costs	-906	-34
Total Operating Expenses	-1,610	-713
OPERATING INCOME (LOSS)	-772	169
Interest income, net	18	30
Earnings (loss) on equity investments	3	-1
INCOME (LOSS) BEFORE INCOME TAXES	-751	198
AND MINORITY INTERESTS		
Income tax expense	-4	-29
INCOME (LOSS) BEFORE MINORITY INTERESTS	-755	169
Minority interests	-3	-1
NET INCOME (LOSS)	-758	168
EARNINGS (LOSS) PER SHARE (BASIC)	-0.84	0.19
EARNINGS (LOSS) PER SHARE (DILUTED)	-0.84	0.18
NUMBER OF WEIGHTED AVERAGE		
SHARES USED IN CALCULATING	898.8	980.4
DILUTED EARNINGS (LOSS) PER SHARE		

STMicroelectronics N.V.

Consolidated Statements of Income

(in million of U.S. dollars, except per share data (\$))

	Six Months Ended	
	(Unaudited)	(Unaudited)
	June 30 , <u>2007</u>	July 1 , <u>2006</u>
Net sales	4,678	4,854
Other revenues	15	4
NET REVENUES	4,693	4,858
Cost of sales	-3,070	-3,139
GROSS PROFIT	1,623	1,719
Selling, general and administrative	-531	-522
Research and development	-881	-817
Other income and expenses, net	-3	-24
Impairment, restructuring charges and other related closure costs	-918	-47
Total Operating Expenses	-2,333	-1,410
OPERATING INCOME (LOSS)	-710	309
Interest income, net	36	51
Earnings (loss) on equity investments	9	-4
INCOME (LOSS) BEFORE INCOME TAXES	-665	356
AND MINORITY INTERESTS		
Income tax expense	-15	-57
INCOME (LOSS) BEFORE MINORITY INTERESTS	-680	299
Minority interests	-4	0
NET INCOME (LOSS)	-684	299
EARNINGS (LOSS) PER SHARE (BASIC)	-0.76	0.33
EARNINGS (LOSS) PER SHARE (DILUTED)	-0.76	0.32
NUMBER OF WEIGHTED AVERAGE		
SHARES USED IN CALCULATING	898.1	968.3
DILUTED EARNINGS (LOSS) PER SHARE		